

SOUTHERN UNIVERSITY LAW CENTER



COMPLIANCE AUDIT

ISSUED NOVEMBER 22, 2006

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

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STEVE J. THERIOT, CPA
LEGISLATIVE AUDITOR

OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

November 22, 2006

MR. FREDDIE PITCHER, JR., CHANCELLOR
SOUTHERN UNIVERSITY LAW CENTER
Baton Rouge, Louisiana

We have audited certain transactions of the Southern University Law Center (SULC) in accordance with Title 24 of the Louisiana Revised Statutes. Our audit was performed to substantiate or refute allegations of improprieties at the SULC.

Our audit consisted primarily of inquiries and the examination of selected records and other documentation. The scope of our audit was significantly less than that required by *Government Auditing Standards*; therefore, we are not offering an opinion on SULC's financial statements or system of internal control nor assurances as to compliance with laws and regulations.

The accompanying report presents our findings and recommendations as well as management's response.

Respectfully submitted,

Steve J. Theriot, CPA
Legislative Auditor

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During her normal work hours, Southern University Law Center (SULC) employee Angela Gaines used SULC computers, printers, and supplies to create and print various types of invitations, cards, posters, brochures, banners, invoices, and pictures (files) for her personal business. According to Ms. Gaines, she did not profit from these activities; however, she did keep the difference between the cost of printing and the amount she charged students and non-students for her work. An analysis of Ms. Gaines' computer revealed she stored at least 795 files relating to her personal business.

Background

Ms. Gaines began working as the Technical Support Specialist in the Southern University Law Library on August 16, 2000. Ms. Gaines is the Louis System Administrator for the SULC and is responsible for supporting the computer lab, maintaining all hardware and software, supervising the information technology equipment operator, and acting as a liaison between the law library and the university information systems office. Ms. Gaines also creates invitations, cards, brochures, labels, banners, and posters for seminars and SULC events such as Christmas parties and guest speakers for the SULC. As an informal job duty, Ms. Gaines helps graduating law students create their graduation invitations on a state computer.

An analysis of Ms. Gaines' SULC computer revealed 164 files related to student graduation invitations, including invoices payable to Angela Gaines for the work performed to create the invitations and 631 files related to invitations for wedding and wedding showers, anniversary parties, retirement parties, class reunions, housewarming parties, brochures for funerals and church services, and other events.

Graduation Invitations

According to the SULC librarian and Ms. Gaines' supervisor, Alvin Roche, students are allowed to make their own invitations in the Law Library to avoid the high costs associated with purchasing invitations from private printing companies. Mr. Roche stated that since Ms. Gaines is in charge of supporting the computer lab, he authorized her to help the students create their invitations.

Ms. Gaines stated she helped the students design and print invitations. She printed the invitations using an SULC color printer, and students either provided their own paper or she purchased the paper and then charged the students for the costs. Ms. Gaines could not estimate how many invitations she created for students over the years.

According to Ms. Gaines' coworker, it is common knowledge that Ms. Gaines is paid outside of her SULC employment to create and print various invitations (using SULC equipment, including paper) for students and non-students. She estimated that during the most recent graduation season, Ms. Gaines spent four to six hours a day creating graduation invitations for up to 75 students.

During our analysis of Ms. Gaines' computer, we found 14 graduation invitation templates for the 2006 graduates. We spoke to four of the 14 invitation recipients. All four stated they paid Ms. Gaines \$30 to \$65 for their invitations and picked up their completed invitations from Ms. Gaines in her office. None of the four students provided supplies for the invitations.

When asked about the invoices and comments of the four students, Ms. Gaines stated she never charged students for her help in creating graduation invitations; all the charges incurred by the students were for supplies. Ms. Gaines stated she charged around \$1 to \$1.25 for each invitation and kept the difference after paying the supply cost.

Ms. Gaines agreed to provide to representatives of the Legislative Auditor receipts for the supplies she purchased with funds collected from students; however, after several attempts to collect the receipts, the receipts were never provided.

According to Mr. Roche, he was unaware Ms. Gaines profited from working on the invitations or collected money from students for supplies. His understanding was that Ms. Gaines did not charge the students for her help and that students provided the paper needed for their invitations.

Cards, Posters, Brochures, and Other Invitations

The analysis of Ms. Gaines' work computer revealed 631 files consisting of invitations, cards, posters, brochures, banners, invoices, and pictures (files) not related to university activities. E-mails providing and requesting information about invitations sent from outside the SULC system were found mailed to her SULC e-mail address. The files were created during her work day from May 26, 2005, to June 8, 2006. A large portion of the files had identical creation dates of May 26, 2005, and creation times within seconds of each other, indicating they were transferred from another computer.

According to Ms. Lata Johnson, the Law Library IT Director, Ms. Gaines received a new work computer in May 2005, and at that time files on her old computer were transferred to her new computer.

During an interview, Ms. Gaines stated that the files created on May 26, 2005, were transferred to her work computer from her home computer by compact disk when her home computer crashed. According to Ms. Gaines, she used several disks to transfer the data between the two computers. Ms. Gaines agreed to provide the disks to representatives of the Legislative Auditor; however, after several attempts to collect the disks, the disks were never provided. Ms. Gaines stated that although personal files were on her work computer, she only viewed them during work hours and worked on the files before or after work hours and during her lunch breaks.

Ms. Gaines was then presented with several wedding, bridal shower, and baby shower invitations with creation times and dates during her normal working hours. Ms. Gaines then admitted to creating and printing these files during work hours. She could not estimate how many hours a day she worked on the invitations but stated each invitation could take up to two hours to create.

We also presented Ms. Gaines with several files containing invoices requesting payment for invitations. The invoices listed Angela Gaines as the payee and doing business as “LEG,” instructs the customer to make checks payable to Angela Gaines, and gives a total for the invoice. E-mails found on Ms. Gaines’ SULC computer appear to be sent to customers and reference invoices for her services. Ms. Gaines acknowledged that the files were customer billings.

Finally, we presented Ms. Gaines with 26 non-university related brochures, posters, and label files. Out of the 26 files we showed Ms. Gaines, she admitted to creating 15 and printing one during work hours. Ms. Gaines stated she did not use any SULC supplies (such as paper and printer ink cartridges). She was either provided with the supplies by her customers or bought them herself. Ms. Gaines agreed to provide purchase receipts for the supplies to representatives of the Legislative Auditor; however, after several attempts to collect the receipts, the receipts were never provided.

We asked Mr. Roche if he was aware that Ms. Gaines was creating personal files for profit during her work day. Mr. Roche stated that he was not aware she was creating wedding invitations or special cards, posters, et cetera. He did however witness Ms. Gaines creating and printing church brochures during her work day.

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We recommend that:

1. Management ensure all employees follow university computer usage policies; specifically, section “Abusing Technology Resources” which addresses:
 - a. downloading and/or storing information not pertinent to classroom activities on network resources;
 - b. wasting finite resources, i.e., print cartridges and paper by printing unnecessarily; and
 - c. using school technology resources to conduct a business or for other unauthorized commercial gain.
2. Management reinforce the need for all levels of management to ensure that university policies are adhered to.
3. If management allows Ms. Gaines to create SULC related invitations, cards, and posters:
 - a. revise Ms. Gaines’ job description to include these activities, and
 - b. establish effective controls to monitor, record, and safeguard payments received for these activities.

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Located on the Southern University campus, the Southern University Law Center (SULC) library provides information resources and research services that assist students, faculty, and other users with preparing legal scholarship and training. An important secondary role of the library is to handle and preserve the extensive collections acquired to date. The Director of Library services, Alvin Roche, is in charge of day-to-day library operations and leads a staff committed to providing day-to-day operations, services, and support.

The legislative auditor received information of possible improprieties involving the SULC library's Technical Support Specialist, Angela Gaines. The procedures performed during the compliance audit consisted of the following:

- (1) interviewing employees and officials of the SULC library;
- (2) interviewing other persons as appropriate;
- (3) examining selected SULC records; and
- (4) reviewing applicable state and federal laws and regulations.

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Management's Response



SOUTHERN UNIVERSITY LAW CENTER

261 A. A. LENOIR HALL

POST OFFICE BOX 9294

BATON ROUGE, LOUISIANA 70813-9294

OFFICE OF THE CHANCELLOR

(225) 771-2552

FAX (225) 771-2474

October 25, 2006

Mr. Steve J. Theriot, CPA
Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

Re: Ms. Angela Gaines

Dear Mr. Theriot:

This letter is in response to your letter of October 11, 2006, regarding the audit compliance report conducted by your office on the Southern University Law Center's Library.

First let me acknowledge our appreciation to your office for bringing Ms. Gaines unauthorized activities to our attention. Through this disclosure, we have moved forthwith to adjust and tighten our policies and procedures, relevant to the use of state equipment and supplies. While the report clearly discloses the misuse of State equipment by Ms. Angela Gaines, we still believe that the supplies used in printing the various graduation, anniversary, and birthday invitations were not purchased with State funds. There is a slight possibility that church programs may have been printed on paper that was supplied either by the State of Louisiana or our copy machine vendor; but we are still trying to determine the source of the paper for these unauthorized projects.

Because of your audit findings, the Law Center has every intention to exercise its right in disciplining Ms. Gaines. The disciplinary actions being discussed at this time include the following: suspension without pay, financial restitution, and/or reduction in annual leave to compensate for time spent working on unauthorized projects during work hours. Our final decision will be made after consultation with Dr. Ralph Slaughter, of the Southern University System and Mr. Lester Pourciau, Director of Human Resources for the Southern University System.

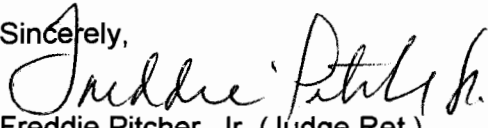
It goes without saying that a strong letter of reprimand and a period of probation will be a part of the punishment that will be imposed in this matter. This letter will state that any further unauthorized activity, whatever it may be, may result in penalties up to and including termination and a copy of same will be placed in Ms. Gaines's personnel file at the System's Human Resources Office and at the Law Center.

We have reissued the policies dealing with the use of computers and the use of State equipment and supplies to all employees of the Law Center; and have reinforced statements that

warn all employees that violation of these policies will be dealt with very severely. All referenced policies will be issued to new employees and reissued to all employees on a periodic basis.

Again, I would like to thank you and your staff for bringing this matter to our attention and for the very professional manner in which this investigation was conducted.

With kind regards, I am

Sincerely,

Freddie Pitcher, Jr. (Judge Ret.)
Chancellor